

**Reminder:**

You had suggested  
follow-up re the 20 Nov  
Diary Note on approx 30 Nov.      DECEMBER 1970

Want me to ask status with  
OGC?

CPYRGHT<sub>p</sub>.

## BEER 'CASE' PRESSED ON SECURITY AGENCY

By **DONALD HIRZEL**  
Star Staff Writer

The Anne Arundel County Liquor Board has taken on the top-secret National Security Agency in a dispute over the sale of beer to NSA civilian employees in an annex cafeteria.

George M. King, chairman of the liquor board, charged that the sales are illegal because the government must have a license and the outlet must be open for inspection by area law enforcement officials.

The government countered that federal law permits such an operation and that it does not want any local cops snooping around its super spy center.

King said yesterday the government is to submit a memo to him tomorrow citing the laws which permit sales of beer on the base, an NSA annex near Friendship International Airport. The main NSA base is at nearby Ft. Meade.

"If they can't come up with something," he said, "I will order a public hearing to determine if a violation of the liquor laws exists."

He said the government probably "won't want that."

The hassle developed after local tavern owners noticed a sharp decline in noon business early last fall.

A check revealed that the Civilian Welfare Fund at NSA had been tapped to provide beer at the cafeteria to entice workers to remain on the base at noon rather than taking off for suds at local drinking spots.

"The local tavern owners were really on my neck," King said, "so I held several discussions with the government people."

The meetings were nonproductive, he said, until last week when the government said it would produce legal evidence that it is not violating the law.

"So, we will see what happens on Monday," King said.

Legalizing liquor  
Talk to OGC  
✓ do paper for  
Exp Dir - possibly  
to permit final action  
14 Jan Departs

STAT

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060027-7

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R -  
Rendezvous Room -

do I have the  
package of papers  
incl the OL memo  
recommending against  
use for parties?

(Want to get OGC action  
on "license" and also report  
to deputies mtg)

attached

20 DEC 1970

CPYRG

### BEER SQUABBLE

## U.S. Security Agency Ignores Liquor Board

That hassle between the Anne Arundel County Liquor Board and the National Security Agency over sale of beer to civilians at the top-secret installation is still alive.

George M. King, chairman of the county liquor board, says the Department of Defense has informed him the sales are

permitted under a section of the U.S. Code.

King was sent a copy of the regulations which he has turned over to county attorneys to determine its applicability, if any, to civilian employees.

If there is none, King plans to try to force NSA to stop selling beer at the installation near Friendship International Airport or get a liquor license and pay state sales taxes.

"I'm not backing off," King said. He expects word from his legal advisers within a few days.

King got into the squabble with the government several weeks ago after local tavern owners complained of a drop-off in noon-time business which they attributed to a scarcity of NSA civilians in the drinking parlors.

King discovered that the Civilian Welfare Fund at NSA was buying beer to serve civilian employees in the NSA cafeteria.

The liquor board chairman informed NSA that it had to have a license to sell beer, pay the sales tax and permit inspection of the premises by local police. The agency's reply was a polite but firm "no."

... need background  
to include original  
proposal on setting  
up Pendegout  
Run + Dept Intg  
papers (minutes or an  
MFR of mine) + follow on  
request to hog

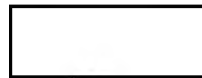
attached

30 November 1970

NOTE FOR: Mr. Coffey

I think Jack's memo brings up some difficult but not insurmountable problems. I would not like to see a nightly party, but there could be certain occasions (rare) when the Rendezvous Room could be used and adequate help might be recruited. So I would not recommend closing the door firmly by approval of para 2.

I have also attached the OGC paper on serving liquor. The letter to GSA could proceed whether or not we use the Rendezvous Room.



WEB